United Nations A/54/592

General Assembly

Distr.: General
20 December 1999
English
Original: Arabic

Fifty-fourth session
Agenda item 104

Globalization and interdependence

Report of the Second Committee

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I. Introduction

1. At its 3rd plenary meeting, on 17 September 1999, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-fourth session the item entitled "Globalization and interdependence" and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 23rd to 25th, 29th and 51st meetings, from 26 to 28 October and on 1 November and 16 December 1999. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/54/SR.23-25, 29 and 51). Attention is also drawn to the general debate held by the Committee at its 3rd to 8th meetings, from 6 to 8 October (see A/C.2/54/SR.3-8).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the Secretary-General on the role of the United Nations in promoting development in the context of globalization and interdependence (A/54/358);

(b) Letter dated 17 May 1999 from the Permanent Representative of Bangladesh to the United Nations addressed to the Secretary-General, transmitting the Hague Agenda for Peace and Justice for the Twenty-first Century, adopted by the Hague Appeal for Peace Conference, held from 12 to 15 May 1999 (A/54/98);

(c) Letter dated 9 July 1999 from the Chargé d'affaires a.i. of the Permanent Mission of Jamaica to the United Nations addressed to the Secretary-General, transmitting the joint communiqué of the Group of Fifteen, adopted at the Ninth Summit of the Heads of State and Government of the Group of Fifteen, held at Montego Bay, Jamaica, from 10 to 12 February 1999 (A/54/175);

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(d) Letter dated 29 September 1999 from the Permanent Representative of Guyana to the United Nations addressed to the Secretary-General, transmitting the Ministerial Declaration and Ministerial Statement on the South Summit, adopted at the twenty-third annual meeting of the Ministers for Foreign Affairs of the Group of 77, held at United Nations Headquarters on 24 September 1999 (A/54/432).

II. Consideration of proposals

A. Draft resolutions A/C.2/54/L.19 and A/C.2/54/L.76 and amendments contained in documents A/C.2/54/L.77 and A/C.2/54/L.78

4. At the 29th meeting, on 1 November, the representative of Guyana, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "The role of the United Nations in promoting development in the context of globalization and interdependence" (A/C.2/54/L.19), which read:

"*The General Assembly*,

"*Recalling* its resolution 53/169 of 15 December 1998,

"*Recognizing* the challenges and opportunities of globalization and interdependence,

"*Expressing concern* over the exclusion of a large number of developing countries from the globalization process, including in the finance, trade and technology sectors, and the increasing vulnerability of those developing countries that are integrating into the world economy and the accentuation of economic asymmetries within and among countries,

"*Recognizing* that globalization and interdependence have opened new opportunities, through trade and capital flows, for the growth of the world economy,

"*Emphasizing* that the inherent imbalances in the structures of the international regimes governing development, finance, trade and transfer of technology have further aggravated the negative impacts of globalization on developing countries,

"*Expressing* grave concern over the widening technological gap between the developing and developed countries, particularly in the area of information and communication technology which is shaping the contours of globalization,

"*Noting with serious concern* that the benefits of existing multilateral trading systems continue to elude the developing countries,

"*Underlining* the need for wide-ranging reform of the international financial architecture,

"*Stressing* that the domestic policies of the developing countries could yield better results with international support and with the creation of an enabling international economic environment,

"*Underlining* the importance of promoting the integration of developing countries into the world economy in order to enable them to take the fullest possible advantage of the trading opportunities arising from globalization and liberalization,

"*Underscoring* the urgent need to mitigate the negative consequences of globalization and interdependence on all developing countries, in particular the

African countries, the least developed countries, small and vulnerable economies, and the small island developing States,

"*Convinced* of the need to manage globalization so as to ensure equity, transparency, inclusion and the realization of the goal of development of developing countries,

"*Reiterating* that the United Nations is in a unique position, as a universal forum, to achieve international cooperation in addressing the challenges of promoting development in the context of globalization and interdependence,

"*Convinced* that the United Nations has a key role in fostering greater coherence, complementarity and coordination in addressing economic and development issues at the global level,

"*Noting* the report of the Secretary-General on the role of the United Nations in promoting development in the context of globalization and interdependence,

"*Noting also Human Development Report, 1999,* which focuses on globalization with a human face,

"*Noting with appreciation* that the United Nations Conference on Trade and Development, at its tenth session, to be held in February 2000 in Bangkok, will focus on developmental strategies in an increasingly interdependent world: applying the lessons of the past to make globalization an effective instrument for the development of all countries and all people,

"1. *Reaffirms* that the United Nations has a central role in promoting international cooperation for development and in providing policy guidance on global development issues, including in the context of globalization and interdependence;

"2. *Emphasizes* the urgency of coordinated action by the United Nations, the Bretton Woods institutions and the World Trade Organization for developing a global approach to mitigating the negative consequences of globalization and interdependence, taking into account the specific vulnerabilities, concerns and needs of developing countries;

"3. *Calls* for effective governance of globalization through democratization of international economic policy decision-making; integrated consideration of trade, finance, technology transfer and developmental issues by the relevant international institutions; and reform of the international financial architecture and, in this context, calls for close cooperation and coordination between the United Nations, the Bretton Woods institutions and the World Trade Organization;

"4. *Calls upon* the developed countries, in particular the major developed economies, to enhance coherence among their financial, trade and development cooperation policies, with a view to creating an enabling international economic environment supportive of the development of developing countries;

"5. *Urges* the international community to promote international development cooperation based on economic growth, stability and equity with the full participation of developing countries in the globalizing world economy;

"6. *Also urges* the international community to adopt a policy framework that should aim at the creation of equitable and development-oriented international structures in finance, trade and transfer of technology, and address the endemic problems of external debt and transfer of resources, financial vulnerability, declining terms of trade and restricted access to developed country markets;

"7. *Welcomes* the efforts of the United Nations Conference on Trade and Development and the International Trade Centre to help developing countries, in particular the least developed countries, small and vulnerable economies and the small island developing States, in addressing their specific concerns within the globalizing economy, in particular through technology-related assistance in the fields of trade, policy, improvement of trade efficiency and policies and trade in services, in particular in electronic commerce;

"8. *Calls upon* the international community, in particular the World Trade Organization, to immediately operationalize the special and differential treatment provisions of the multilateral trade agreements so as to enable the developing countries, including the African countries, the least developed countries, small and vulnerable economies and the small island developing States, to derive the potential benefits from trade liberalization in the context of globalization and interdependence;

"9. *Calls* for the reform of the global financial architecture which should include greater participation by the developing countries in the decision-making processes of the international financial institutions, more emphasis on financing for development, and greater financial stability;

"10. *Strongly stresses* that the United Nations, the Bretton Woods institutions and the World Trade Organization should intensify their collaboration with a view to promoting policy coherence, complementarity and coordination on economic, financial, trade and development issues at the global level with a view to optimizing the benefits and minimizing the negative consequences of globalization, liberalization and interdependence and, in this regard, invites the Secretary-General of the United Nations Conference on Trade and Development to prepare an analytical report on this issue, in collaboration with the relevant agencies and organizations, and submit it to the General Assembly at its fifty-fifth session;

"11. *Emphasizes* the technology-led dimension of globalization and the importance of providing access, including on preferential and concessional terms, to information and communication technology to enable the developing countries effectively to benefit from globalization by full and effective integration in the emerging global information network;

"12. *Strongly emphasizes* the need for the regional and national capacity-building programmes of the United Nations system, the regional commissions, United Nations funds and programmes, and the specialized agencies to have a strong component oriented towards assisting the developing countries in the area of information and communication technology;

"13. *Requests* the Secretary-General to report to the General Assembly, at its fifty-fifth session, in consultation with the entities of the United Nations system, on action taken in the area of information and communication technology in accordance with paragraph 12 above;

"14. *Also requests* the Secretary-General to establish an ad hoc group of governmental experts on information and communication technology, taking into account equitable geographical representation and in consultation with Member States, with a view to preparing action-oriented proposals on the role of the United Nations in enhancing the integration of developing countries in the emerging global information network; facilitating developing countries' access to information and communication technologies on preferential and concessional terms; and promoting

the participation of developing countries, including through infrastructure facilities, in knowledge-intensive sectors of the global economy;

"15. *Further requests* the Secretary-General to submit a comprehensive and analytical report to the General Assembly at its fifty-fifth session on the implementation of the present resolution;

"16. *Decides* to include in the agenda of its fifty-fifth session an item entitled 'Globalization and interdependence'."

5. At the 51st meeting, on 16 December, the Committee had before it draft resolution A/C.2/54/L.76, submitted by the Vice-Chairman of the Committee, Giovanni Brauzzi (Italy), on the basis of informal consultations held on draft resolution A/C.2/54/L.19.

6. At the same meeting, the Committee also had before it an amendment (A/C.2/54/L.77) to draft resolution A/C.2/54/L.76, submitted by Portugal on behalf of the States Members of the United Nations that are members of the European Union, by which operative paragraph 10 would be replaced by the following text:

"10. *Strongly underlines* the importance of an enabling environment for investment, in particular foreign direct investment, market access, good governance, an increase in the volume and effectiveness of official development assistance, the tackling of unsustainable debt burdens, including through debt conversion measures, flexibility in the Heavily Indebted Poor Countries Debt Initiative and support for regional cooperation and integration as priority areas that need to be addressed in order to achieve sustainable development in all African countries and to encourage the participation of all African countries in the global economy, as recommended in the report of the Secretary-General."

7. The Committee also had before it an amendment (A/C.2/54/L.78) to draft resolution A/C.2/54/L.76, submitted by Australia, by which operative paragraph 10 would be replaced by the following text:

"10. *Strongly underlines* the importance of an enabling environment for investment, in particular for foreign direct investment, and of market access, effective governance with efficient, participatory, transparent and accountable public service, policies and administration, an increase in the volume and effectiveness of official development assistance, tackling unsustainable debt burdens, including debt conversion measures and flexibility in the implementation of the enhanced Heavily Indebted Poor Countries Debt Initiative and, in this regard, as recommended in the report of the Secretary-General, support for regional cooperation and integration as priority areas that need to be addressed in order to achieve sustainable development in African countries and to encourage the participation of all African countries in the global economy."

8. At the same meeting, the representative of Guyana made a statement on behalf of the States Members of the United Nations that are members of the Group of 77 and China, in which he requested a suspension of the meeting (see A/C.2/54/SR.51).

9. On the resumption of the 51st meeting, the representative of Finland made a statement on behalf of the European Union (see A/C.2/54/SR.51).

10. At the same meeting, the representative of Guyana, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, proposed that the amendment (A/C.2/54/L.78) submitted by Australia to operative paragraph 10 of draft resolution A/C.2/54/L.76 be further amended as follows:

(a) The words "effective governance with efficient, participatory, transparent and accountable public service and administration" would be replaced by the words "governance responsive to the needs of the people with efficient, participatory, transparent and accountable public service, policy-making processes and administration";

(b) The words "in this regard" would be deleted.

11. At the same meeting, statements were made by the representatives of Australia and Cameroon (see A/C.2/54/SR.51).

12. The Chairman then made a statement (see A/C.2/54/SR.51).

13. At the same meeting, the Committee adopted draft resolution A/C.2/54/L.76 as amended (see para. 16).

14. In the light of the adoption of draft resolution A/C.2/54/L.76, draft resolution A/C.2/54/L.19 was withdrawn by its sponsors.

15. The amendment submitted by Portugal on behalf of the States Members of the United Nations that are members of the European Union (A/C.2/54/L.77) to draft resolution A/C.2/54/L.76 was also withdrawn by its sponsors.

III. Recommendation of the Second Committee

16. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Role of the United Nations in promoting development in the context of globalization and interdependence

The General Assembly,

Recalling its resolution 53/169 of 15 December 1998,

Recognizing the challenges and opportunities of globalization and interdependence,

Expressing serious concern over the increasing risks of marginalization of a large number of developing countries from the globalization process, including in the finance, trade and technology sectors, and the additional vulnerability of those developing countries that are in the process of integrating into the world economy, resulting in particular from the volatility of short-term capital flows and the accentuation of income disparities within and among countries,

Recognizing that globalization and interdependence are opening new opportunities through trade, investment and capital flows, and advancements in technology, including information technology, for the growth of the world economy, for development and for the improvement of living standards around the world,

Emphasizing that the international systems dealing with development, finance, trade and transfer of technology should further address the negative impacts of globalization on developing countries,

Expressing grave concern over the generally widening technological gap between the developed and developing countries, particularly in the area of information and communication technology, which is shaping the contours of globalization,

Mindful, in the process of trade liberalization, of the diminution of trade preferential margins for developing countries, particularly the least developed countries and small island developing States, and of the need for countries to take measures, as appropriate, in accordance with the rules of the World Trade Organization, to address that diminution with a view to offsetting it,

Underlining the need to continue work on a wide range of reforms to create a strengthened international financial system,

Recognizing the importance of appropriate policy responses at the national level by all countries to the challenges of globalization, in particular by pursuing sound macroeconomic and social policies, noting the need for support from the international community for the efforts of the least developed countries, in particular, to improve their institutional and management capacities, and also recognizing that all countries should pursue policies conducive to economic growth and to promoting a favourable global economic environment,

Underlining the importance of promoting the integration of developing countries into the world economy in order to enable them to take the fullest possible advantage of the trading opportunities arising from globalization and liberalization,

Underscoring the urgent need to mitigate the negative consequences of globalization and interdependence for all developing countries, including landlocked developing countries, small island developing States and, in particular, African countries and the least developed countries,

Convinced of the need, in the context of globalization and interdependence, to develop and implement policies to promote equity, transparency and inclusion, with the goal of promoting development, particularly of developing countries,

Reiterating that the United Nations, as a universal forum, is in a unique position to achieve international cooperation in addressing the challenges of promoting development in the context of globalization and interdependence,

Convinced that the United Nations has a key role to play in fostering greater coherence, complementarity and coordination in addressing economic and development issues at the global level,

Noting the report of the Secretary-General on the role of the United Nations in promoting development in the context of globalization and interdependence,[1]

Noting also the *Human Development Report, 1999*,[2] which focuses on globalization with a human face,

Taking note, in the context of globalization and interdependence, of the ongoing work of the Commonwealth Secretariat/World Bank Joint Task Force on Small States,

Noting with appreciation that the United Nations Conference on Trade and Development, at its tenth session, to be held at Bangkok in February 2000, will focus on "Development strategies in an increasingly interdependent world: applying the lessons of the past to make globalization an effective instrument for the development of all countries and all people",

Welcoming the decision of the Economic and Social Council to devote the high-level segment of its substantive session of 2000 to the theme "Development and international

[1] A/54/358.

[2] New York, Oxford University Press, 1999.

cooperation in the twenty-first century: the role of information technology in the context of a knowledge-based global economy",[3]

1. *Reaffirms* that the United Nations has a central role to play in promoting international cooperation for development and in promoting greater policy coherence on global development issues, including in the context of globalization and interdependence;

2. *Strongly stresses* that the United Nations, the Bretton Woods institutions and the World Trade Organization should intensify their collaboration, as appropriate, in promoting policy coherence, complementarity and coordination on economic, financial, trade and development issues at the global level, which should aim at optimizing the benefits and minimizing the negative consequences of globalization, liberalization and interdependence, taking into account the specific vulnerabilities, concerns and needs of developing countries;

3. *Calls* for increased international cooperation to address the challenges of globalization through the enhanced participation of developing countries in the international economic policy decision-making process; integrated consideration of trade, finance, technology transfer and development issues by the relevant international institutions; and the continuation of a wide range of reforms of the international financial system;

4. *Calls upon* all countries, in particular the major developed economies, to enhance coherence among their financial, trade and development cooperation policies, with a view to creating an enabling international economic environment supportive of development, in particular of developing countries;

5. *Stresses* the importance, at the national level, of maintaining sound macroeconomic policies and developing effective institutional and regulatory frameworks and human resources, so as to realize the mutually reinforcing objectives of poverty eradication and development, *inter alia* through national poverty reduction strategies and enhanced policy coherence;

6. *Urges* the international community to promote international development cooperation aimed at enhancing the participation of developing countries in the globalizing world economy;

7. *Also urges* the international community to adopt policies that promote equity in finance, trade and transfer of technology and address the problems of developing countries in the areas of external debt and transfer of resources, financial vulnerability, declining terms of trade and market access;

8. *Welcomes* the efforts of the United Nations Conference on Trade and Development and the International Trade Centre and other multilateral and bilateral efforts to help developing countries, including landlocked developing countries, small island developing States and, in particular, African countries and the least developed countries, in addressing their specific concerns within the globalizing economy, in particular through technology-related assistance in the fields of trade and policy, in the improvement of trade efficiency and policies and trade in services, and in electronic commerce;

9. *Emphasizes* the importance of recognizing and addressing the specific concerns of countries with economies in transition so as to help them to benefit from globalization with a view to their full integration into the world economy;

10. *Strongly underlines* the importance of an enabling environment for investment, in particular foreign direct investment, and of market access, governance responsive to the

[3] Economic and Social Council decision 1999/281.

needs of the people with efficient, participatory, transparent and accountable public service, policy-making processes and administration, an increase in the volume and effectiveness of official development assistance, tackling unsustainable debt burdens, including debt conversion measures and flexibility in the implementation of the enhanced Heavily Indebted Poor Countries Debt Initiative and, as recommended in the report of the Secretary-General,[4] support for regional cooperation and integration as priority areas that need to be addressed in order to achieve sustainable development in African countries and to encourage the participation of all African countries in the global economy;

11. *Emphasizes* the technology-led dimension of globalization and the importance of facilitating access to and transfer of information and communication technology and corresponding knowledge, in particular to developing countries, on favourable terms, including concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights, as well as the special needs of developing countries, to enable them to benefit from globalization through full and effective integration into the emerging global information network;

12. *Strongly emphasizes* the need for the regional and national capacity-building programmes of the United Nations system, the regional commissions, United Nations funds and programmes and the specialized agencies to have a strong component oriented towards assisting developing countries, as well as countries with economies in transition, in the area of information and communication technology;

13. *Requests* the Secretary-General to prepare, in close collaboration with the United Nations Conference on Trade and Development and in consultation with other relevant organizations, a comprehensive report containing action-oriented recommendations on further promoting the role of the United Nations system in the transfer of information and communication technology to developing countries and also on its role in promoting policy coherence, complementarity and coordination on economic, financial, trade, technology and development issues at the global level in order to optimize the benefits of globalization;

14. *Also requests* the Secretary-General to convene, if possible, from extrabudgetary resources, a meeting of a high-level panel of experts on information and communication technology, taking into account equitable geographical representation, and in consultation with Member States, to prepare a report, to be made available in early June 2000, containing recommendations on the role of the United Nations in enhancing the integration of developing countries in the emerging global information network; facilitating access for developing countries to information and communication technology, including access on preferential and concessional terms, where appropriate, and promoting the participation of developing countries, *inter alia* through infrastructure facilities, in knowledge-intensive sectors of the global economy;

15. *Invites* countries, and other relevant entities in a position to do so, to provide the necessary extrabudgetary resources for the convening of the high-level panel;

16. *Decides* to include in the provisional agenda of its fifty-fifth session the item entitled "Globalization and interdependence".

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[4] A/52/871-S/1998/318.